Change to:

CONTINUATION IN PART AND CROSS REFERENCE TO RELATED APPLICATIONS AND PATENTS

This application is a continuation in part of application 09/953,148 filed September 17, 2001, application 09/775,561 filed February 5, 2001 and application 09/688,983 filed October 17, 2000. The subject matter of this application is related to application number 09/421,553, filed October 20, 1999, application number 09/953,148 filed September 17, 2001, U.S. Patent 5,615,109 for "Method of and System for Generating Feasible, Profit Maximizing Requisition Sets", by Jeff S. Eder, and U.S. Patent 6,321,205 for "Method of and System for Modeling and Analyzing Business Improvement Programs" by Jeff S. Eder the disclosure of which is incorporated herein by reference.

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This application is a continuation in part of application 09/953,148 filed September 17, 2001, application 09/775,561 filed February 5, 2001 and application 09/688,983 filed October 17, 2000. The subject matter of this application is related to application number 09/421,553, filed October 20, 1999, application number 09/~~775,561 filed February 5, 2001, application number 09/~~953,148 filed September 17, 2001, U.S. Patent 5,615,109 for "Method of and System for Generating Feasible, Profit Maximizing Requisition Sets", by Jeff S. Eder, and U.S. Patent 6,321,205 for "Method of and System for Modeling and Analyzing Business Improvement Programs" by Jeff S. Eder the disclosure of which is incorporated herein by reference.

On page 6 please change the last paragraph to read as shown below. A marked up version of the original paragraph is shown on page 4.

Change to:

One of the least publicized impacts of the Internet on global commerce has been the accelerated trend toward the "virtual integration" of companies in different locations and different industries. Companies can now join together in a short period of time with very little investment to form a "virtual value chain" for delivering products and services to consumers. The virtual value chain may appear to the consumer as a single entity, when in reality a number of enterprises from different continents and industries may have joined together to complete the preparation and delivery of the good or service that is ultimately being purchased. Virtual value chains allow each firm in the value chain to focus on their own specialty, be it manufacturing, design, distribution or marketing, while reaping the benefits of the increased scale and scope inherent in the alliance. Enabled by the low cost communication capability provided by the Internet, the virtual value chain is really just an extreme form of a phenomenon that has been sweeping American industry for many years - the electronic linkage of businesses. The organizations formed using these electronic linkages have been given many names including value web, value net and value chain. The term value chain will be used to describe these organizations.

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On page 16 please change the last paragraph (it continues on to page 17) to read as shown below. A marked up version of the original paragraph is shown on page 6.

Change to:

All extracted information is stored in a file or table (hereinafter, table) within an application database (50) as shown in FIG. 2 or an exchange database (51) as shown in FIG. 10. The application database (50) contains tables for storing user input, extracted information and system calculations including a system settings table (140), a metadata mapping table (141), a conversion rules table (142), a basic financial system table (143), an operation system table (144), a human resource system table (145), an external database table (146), an advanced finance system table (147), an asset system table (148), a bot date table (149), a keyword table (150), a classified text table (151), a geospatial measures table (152), a composite variables table (153), an industry ranking table (154), an element definition table (155), a segment definition table (156), a cluster ID table (157), an element variables table (158), a vector table (159), a bot table (160), a cash flow table (161), a real option value table (162), a vector table (163), a report table (164), a risk reduction activity table (165), an enterprise sentiment table (166), a value driver change table (167), a simulation table (168), an external factor definition table (169), a statistics table (170), a scenarios table (171), a web log data table (172), a risk reduction products table (173), a supply chain system table (174), a derivatives table (175), a risk system table (176), an xml summary table (177), an event risk table (178), a financial forecasts table (179), a semantic map table (180), a frame definition table (181), a factor variables table (182), an analysis definition table (183) and an optimal mix table (184). The application database (50) can optionally exist as a datamart, data warehouse or storage area network. The system of the present invention has the ability to accept and store supplemental or primary data directly from user input, a data warehouse or other electronic files in addition to receiving data from the databases described previously. The system of the present invention also has the ability to complete the necessary calculations without receiving data from one or more of the specified databases. However, in the preferred embodiment all required information is obtained from the specified data sources (5, 10, 12, 15, 17, 25, 30, 35, 37 and 40) for each enterprise in the organization.

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On page 55 please change the text with item number 2 in the numbered list to read as shown below. A marked up version of the original item number 2 follows.

Change to:

2. Identify the item variables, item performance indicators and composite variables for each element and sub-element of value that drive: three segments of value - current operation, derivatives and excess financial assets - as well as the components of current operation value (revenue, expense and changes in capital);

a4

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2. Identify the item variables, item performance indicators and composite variables for each element and sub-element of value that drive: three segments of value - current operation, derivatives and excess financial assets - as well as the components of current operation value (revenue, expense and changes in capital);

On page 57 please change the last paragraph (it continues to the top of page 58) to read as shown below. A marked up version of the original paragraph follows.

Change to:

Bots are independent components of the application that have specific tasks to perform. In the case of market value indicator bots their primary task is to identify the best market value indicator (price, relative price, yield, first derivative of price change or second derivative of price change) for the time period being examined. The market value indicator bots select the best value indicator by grouping the S&P 500 using each of the five value indicators with a Kohonen neural network. The resulting clusters are then compared to the known groupings of the S&P 500. The market value indicator that produced the clusters that most closely match the S&P 500 is selected as the market value indicator. Every market value indicator bot contains the information shown in Table 22.

a5

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Bots are independent components of the application that have specific tasks to perform. In the case of market value indicator bots their primary task is to identify the best market value indicator (price, relative price, yield, first derivative of price change or second derivative of price change) for the time period being examined. The market value indicator bots select the best value indicator by grouping the S&P 500 using each

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On page 88 please change the first two paragraphs to read as shown below. A marked up version of the original paragraphs follows.

Change to:

After the sentiment analysis bots are initialized, they activate in accordance with the frequency specified by the user (20) in the system settings table (140). After being activated, the bots retrieve information from the system settings table (140), the metadata mapping table (141), the industry ranking table (154), the element definition table (155), the segment definition table (156), the real option value table (162), the enterprise sentiment table (166), the external factor definition table (169), the derivatives table (175) and the financial forecasts table (179) as required to analyze sentiment. The resulting breakdown of sentiment is then saved in the enterprise sentiment table (166) by enterprise in the application database (50). Sentiment at the organization level is calculated by adding together the sentiment calculations for all the enterprises in the organization. The results of this calculation are also saved in the enterprise sentiment table (166) in the application database (50) before processing advances to a software block 402 where the risk analysis for the organization is started.

RISK ANALYSIS

The flow diagram in FIG. 7 details the processing that is completed by the portion of the application software (400) that analyzes and develops the matrix of risk (FIG. 11) for each enterprise in the organization. The matrix of risk includes two types of risk – the risk associated with variability in the elements and factors driving enterprise value and the risk associated with events like hurricanes and competitor actions.

Marked up original:

After the sentiment analysis bots are initialized, they activate in accordance with the frequency specified by the user (20) in the system settings table (140). After being activated, the bots retrieve information from the system settings table (140), the metadata mapping table (141), the industry ranking table (154), the element definition table (155), the segment definition table (156), the real option value table (162), the enterprise sentiment table (166), the external factor definition table (169), the derivatives table (175) and the financial forecasts table (179) as required to analyze sentiment. The resulting breakdown of sentiment is then saved in the enterprise sentiment table (~~169~~166) by enterprise in the application database (50). Sentiment at the organization level is calculated by adding together the sentiment calculations for all the enterprises in the organization. The results of this calculation are also saved in the enterprise sentiment table (~~169~~166) in the application database (50) before processing advances to a software block 402 where the risk analysis for the organization is started.

RISK ANALYSIS

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On page 98 please change the last paragraph (it continues to page 99) to read as shown below. A marked up version of the original paragraph follows.

Change to:

The software in block 502 retrieves information from the system settings table (140), the advanced finance system table (147), the cash flow table (161) and the financial forecasts table (179) that is required to calculate the minimum amount of working capital that will be available during the forecast time period. The system settings table (140) contains the minimum amount of working capital that the user (20) indicated was required for enterprise operation while the cash flow table (161) contains a forecast of the cash flow of the enterprise for each period during the forecast time period (generally the next 36 months). A summary of the available cash and cash deficits by currency, by

month, for the next 36 months is stored in a summary xml format in the xml summary table (177) by enterprise during this stage of processing. After the amount of available cash for each enterprise and the organization is calculated and stored in the risk reduction activity table (165), processing advances to a software block 503.

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The software in block 502 retrieves information from the system settings table (140), the advanced finance system table (147), the cash flow table (161) and the financial forecasts table (179) that is required to calculate the minimum amount of working capital that will be available during the forecast time period. The system settings table (140) contains the minimum amount of working capital that the user (20) indicated was required for enterprise operation while the cash flow table (161) contains a forecast of the cash flow of the enterprise for each period during the forecast time period (generally the next 36 months). A summary of the available cash and cash deficits by currency, by month, for the next 36 months is stored in a summary xml format in the xml summary table (177) by enterprise during this stage of processing. After the amount of available cash for each enterprise and the organization is calculated and stored in the risk reduction ~~purchase~~activity table (165), processing advances to a software block 503.

On page 98 please change the last 3 paragraphs (the third paragraph continues to page 99) to read as shown below. A marked up version of the original paragraphs follows.

Change to:

The software in block 505 saves the analysis definitions the user (20) specifies in the analysis definition table (183) in the application database (50) before processing advances to a software block 506.

The software in block 506 checks the analysis definition table (183) in the application database (50) to determine if the user (20) has specified a structure change analysis. If the calculation is a structure change analysis, then processing returns to block 205 and the processing described previously is repeated. Alternatively, if the calculation is not a structure change analysis, then processing advances to a software block 508.

The software in block 508 retrieves information from the xml summary table (177) and the analysis definition table (183) as required to determine what type of analysis will be completed and define a model for analysis. As mentioned previously, there are two types of analysis that may be completed by the software in this block – analyzing the impact of forecast changes and optimizing a subset of the organization. Analyzing the impact of changes to future values of external factors, segments of value, components of value, value drivers and/or elements of value requires recalculating value and risk for the affected portions of organization value and/or risk by enterprise and comparing the new totals for the organization to the value, risk and efficient frontier information stored in the xml summary table (177). The results of this comparison, including the information required to generate a graph like the one shown in FIG. 13 are then stored in the analysis definition table (183) before processing advances to software block 510. Alternatively, if the analysis involves optimizing a subset of the organization then the software in block 508 defines and initializes a probabilistic simulation model for the subset of the organization that is being analyzed. The preferred embodiment of the probabilistic simulation models are Markov Chain Monte Carlo models, however, other simulation models can be used with similar results. The model is defined using the information retrieved from the xml summary table (177) and the analysis definition table (183) and then iterated as required to ensure the convergence of the frequency distribution of the output variables. After the calculation has been completed, the software in block 508 saves the resulting information in the analysis definition table (183) before processing advances to software block 510.

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The software in block 505 saves the analysis definitions the user (20) specifies in the analysis definition table (~~181~~183) in the application database (50) before processing advances to a software block 506.

The software in block 506 checks the analysis definition table (183) in the application database (50) to determine if the user (20) has specified a structure change analysis. If the calculation is a structure change analysis, then processing returns to block 205 and the processing described previously is repeated. Alternatively, if the calculation is not a structure change analysis, then processing advances to a software block 508.

The software in block 508 retrieves information from the xml summary table (177) and the analysis definition table (~~181~~183) as required to determine what type of analysis will be completed and define a model for analysis. As mentioned previously, there are two types of analysis that may be completed by the software in this block – analyzing the impact of forecast changes and optimizing a subset of the organization. Analyzing the impact of changes to future values of external factors, segments of value, components of value, value drivers and/or elements of value requires recalculating value and risk for the affected portions of organization value and/or risk by enterprise and comparing the new totals for the organization to the value, risk and efficient frontier information stored in the xml summary table (177). The results of this comparison, including the information required to generate a graph like the one shown in FIG. 13 are then stored in the analysis definition table (~~181~~183) before processing advances to software block 510. Alternatively, if the analysis involves optimizing a subset of the organization then the software in block 508 defines and initializes a probabilistic simulation model for the subset of the organization that is being analyzed. The preferred embodiment of the probabilistic simulation models are Markov Chain Monte Carlo models, however, other simulation models can be used with similar results. The model is defined using the information retrieved from the xml summary table (177) and the analysis definition table (183) and then iterated as required to ensure the convergence of the frequency distribution of the output variables. After the calculation has been completed, the software in block 508 saves the resulting information in the analysis definition table (~~181~~183) before processing advances to software block 510.